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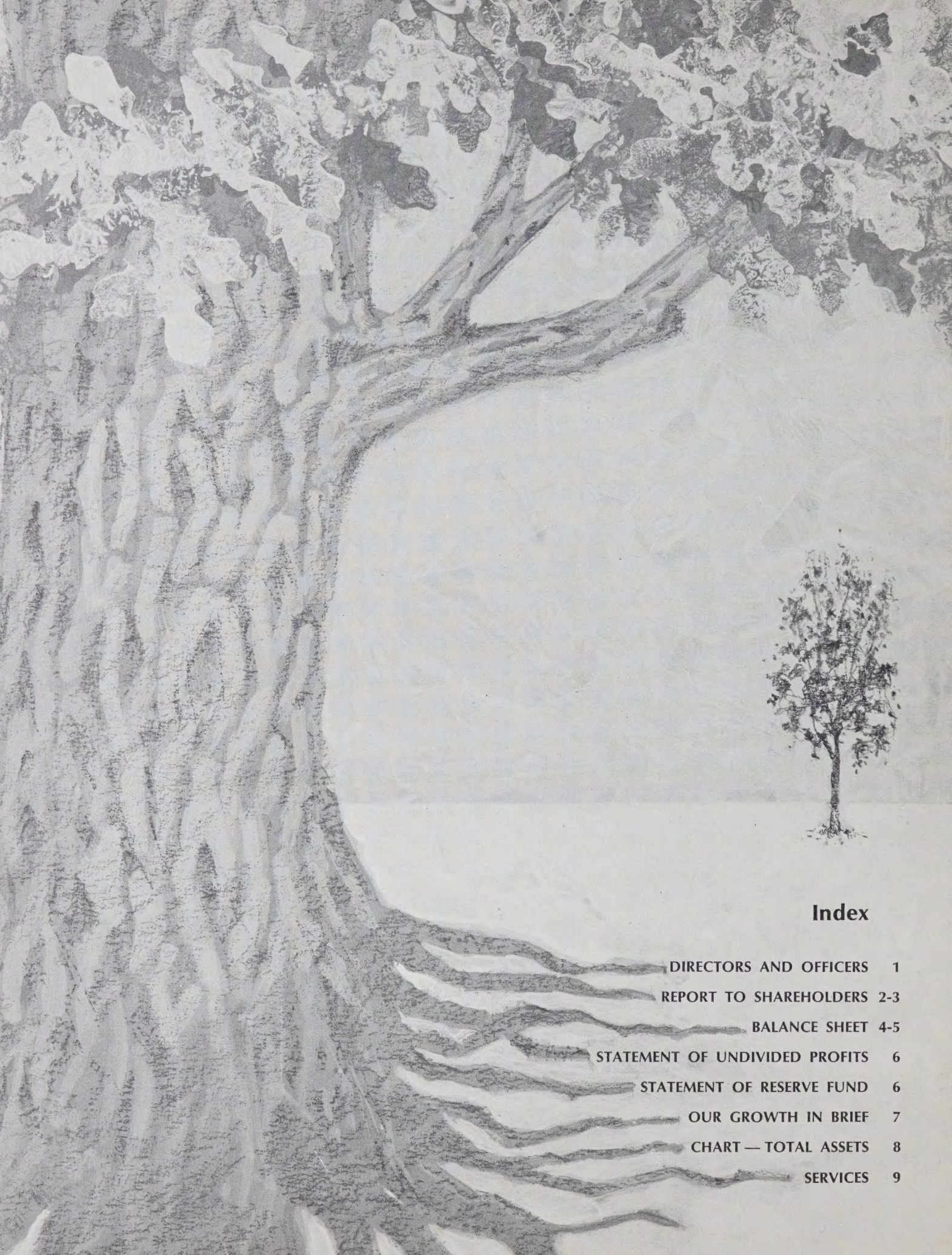
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THE METROPOLITAN TRUST COMPANY FIFTH ANNUAL REPORT 1966





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## Board of Directors

HARRY T. O'NEILL — CHAIRMAN OF THE BOARD\*

JAN DUINKER — President,\*  
Netherlands Overseas Corporation Canada Limited, Toronto

RUDOLF V. FRASTACKY — PRESIDENT\*

ARTHUR B. GILL — Executive Vice-President,  
The Morgan Trust Company, Montreal

HON. DOUGLAS S. HARKNESS, P.C., G.M., E.D., B.A.,  
Member of the Canadian House of Commons, Ottawa

KASIMIR L. MARKON — President,\*  
Lismar Holdings Limited, Toronto

ROBERT K. McCONNELL — President,\*  
McConnell & Company Limited, Toronto

HON. D. ROLAND MICHENER, P.C., Q.C.,  
Canadian High Commissioner to India, New Delhi, India

RUDOLF AUGUST OETKER,  
Industrialist, Bielefeld-Hamburg, Germany

J. JACQUES PIGOTT — Executive Vice-President,\*  
Pigott Construction Company Limited, Toronto

T. STEWART RIPLEY — EXECUTIVE VICE-PRESIDENT AND  
GENERAL MANAGER\*

JACQUES ROY — Vice-President,  
The Morgan Trust Company, Montreal

FRIEDRICH SIMON — General Partner,  
Bankhaus Friedrich Simon, Duesseldorf, Germany

LAWRENCE W. SKEY, D.F.C., B.Comm. — Treasurer and  
Director, Scudder International Investments Ltd., Toronto

WALTER H. STROMEYER,  
For Bankhaus H. Aufhaeuser, Munich, Germany

## Officers and Managers

HARRY T. O'NEILL  
CHAIRMAN OF THE BOARD

RUDOLF V. FRASTACKY  
PRESIDENT

T. STEWART RIPLEY  
EXECUTIVE VICE-PRESIDENT AND GENERAL MANAGER

ALEXANDER P. LUSTIG, LL.B.  
VICE-PRESIDENT

NORMAN C. SAINT, B.Comm., C.A.  
SECRETARY AND TREASURER

FRANK P. BENNER  
ASSISTANT GENERAL MANAGER

EDWIN J. CARTER, C.A.  
COMPTROLLER AND ASSISTANT TREASURER

MARION K. GREER  
TRUST OFFICER AND ASSISTANT SECRETARY

ZDENKO HRADSKY, B.Comm.  
MANAGER, PROPERTY MANAGEMENT DEPARTMENT

ROSS D. LOMONACO  
PERSONNEL OFFICER

J. MALCOLM WREDDEN  
MANAGER, MORTGAGE DEPARTMENT

\* MEMBERS OF THE EXECUTIVE COMMITTEE



## Report to Shareholders

The Metropolitan Trust Company during 1966 recorded excellent growth in earnings, operations and assets. The achievement within four years of total assets under administration substantially in excess of \$100,000,000 is most gratifying.

Your Directors are pleased to submit the balance sheet of the Company at December 31, 1966 and the report thereon of your auditors, together with statements of the Company's reserve fund and undivided profits account.

The 1966 operating profit before income taxes but after deducting all expenses and appropriations for investment reserves, amounted to \$260,802 compared with \$186,702 in 1965, an increase of \$74,100 or 40%. Appropriations of \$35,000 were made in both years for the Company's investment reserves. After provision for income taxes, the net profit amounted to \$140,802 or \$1.46 per share in 1966 in comparison with \$117,702 or \$1.22 per share for 1965, an increase of 20%. The reduction in 1965 income taxes is explained in the note to the statement of undivided profits.

An initial half-yearly dividend of 25 cents per share was paid on August 15, 1966. As a result of the continued successful operations of Metropolitan Trust, the half-yearly dividend payable on February 15, 1967 was increased to 30 cents per share.

An amount of \$24,300 was transferred from the undivided profits account to increase the Company's general reserve fund to \$275,000.

The Company's capital stock account, reserve fund and undivided profits account stood at \$2,908,000 at December 31, 1966 in comparison with \$2,786,000 at the end of 1965.

As shown on the balance sheet, total assets under administration increased by \$36,731,000 or 48% during the year, from \$76,538,000 at the end of 1965 to \$113,269,000 at December 31, 1966. This increase occurred almost entirely in estate, trust and agency assets.

Metropolitan Trust has continued to emphasize the development of its trust and agency services for clients in Canada, the United States and abroad. The Company's mortgage banking operation has reached a point where substantial initiating and administration fees will be received in 1967. Private placement facilities for special types of real estate financing continue to be an important part of our mortgage lending operation. The Company's international services continue to play an important part in the overall trust and agency activities. Our corporate management group now provides to a large number of companies and individuals a complete range of services including investment of their funds, appraisals, real estate investment counselling and related tax matters, and company management. As a result of these activities, your Company has become firmly established in the field of property management and ranks as one of the largest in the Metropolitan Toronto area, being responsible for over 3,200 apartment units together with industrial and commercial buildings, land assembly projects and farms.





Although extremely competitive conditions prevailed throughout the latter part of 1965 and through all of 1966, the Company has been able to maintain its guaranteed trust account (savings and term deposits and guaranteed investment certificates) at a constant level.

The balance sheet sets out the strong liquid asset position of Metropolitan Trust, including cash, marketable securities, mortgages held for sale under agreements and secured loans, a total in excess of \$12,000,000. The item "Mortgages held for sale under agreements, \$3,700,866" represents advances made by the Company on mortgage loans to be sold to correspondent accounts in the first half of 1967 under accepted agreements to purchase.

The proposed amendments to the Bank Act have received considerable publicity, and some concern has been expressed over the competitive position of trust companies and other financial institutions. Offsetting measures, such as the proposed deposit insurance of the Federal and Ontario Governments, should help to maintain a desired degree of competition between institutions.

The Board wishes to take this opportunity to express its gratitude to the officers and staff, whose loyalty and support have contributed so greatly to the continued growth of the Company, and its appreciation to those Canadian and overseas financial institutions who have provided invaluable assistance since the Company's inception.

Respectfully submitted,

R. V. FRASTACKY,  
President.

Toronto, February 8, 1967



**Balance Sheet** DECEMBER 31, 1966  
(with comparative figures at December 31, 1965)

		December 31, 1966	December 31, 1965
ASSETS			
	Cash	\$ 1,746,701	\$ 943,707
	Securities:		
	Government of Canada and Provincial bonds	5,492,638	5,573,009
	Other bonds and debentures	653,014	664,030
	Stocks	13,728	14,928
	Mortgages held for sale under agreements	3,700,866	2,259,681
	Secured loans	593,679	1,294,287
	Deposit receipts of banks and trust companies	—	705,500
	Accounts receivable and advances to estates and trusts	241,519	141,855
	Mortgages	11,502,810	12,157,675
	Shares of associated company	100,100	100,100
	Fixed assets at cost less accumulated depreciation	118,193	104,828
	Total capital and guaranteed account assets	\$ 24,163,248	\$23,959,600
	ESTATES, TRUSTS AND AGENCIES		
	Securities, cash and other assets	\$ 89,105,502	\$52,578,127
	TOTAL	\$113,268,750	\$76,537,727

## NOTES:

1. Government of Canada and Provincial bonds are carried at amortized cost less reserves. The market value was \$5,283,000 at December 31, 1966.

Other bonds and debentures and stocks are carried at amounts not in excess of market values.

2. During the year, 200 shares of capital stock were issued for \$5,700 cash on the exercise of an option granted in 1962. Options granted to certain officers to purchase 12,500 shares of capital stock at \$27.50 each, 840 shares at \$28.50 each and 1,440 shares at \$38.00 each, were outstanding at December 31, 1966.



# THE METROPOLITAN TRUST COMPANY



## LIABILITIES AND CAPITAL

	December 31, 1966	December 31, 1965
Liabilities:		
Guaranteed account —		
Savings and term deposits	\$ 13,007,001	\$12,790,835
Investment certificates	8,018,903	8,283,018
	<u>\$ 21,025,904</u>	<u>\$21,073,853</u>
Income taxes	195,000	75,000
Accounts payable	34,214	25,001
	<u>\$ 21,255,118</u>	<u>\$21,173,854</u>
Capital:		
Capital stock —		
Authorized: 200,000 shares of \$25 par value each		
Issued: 96,471 shares (96,271 shares at December 31, 1965)	\$ 2,411,775	\$ 2,406,775
Reserve fund	275,000	250,000
Undivided profits	221,355	128,971
	<u>\$ 2,908,130</u>	<u>\$ 2,785,746</u>
Total capital and guaranteed account liabilities	<u>\$ 24,163,248</u>	<u>\$23,959,600</u>
ESTATES, TRUSTS AND AGENCIES		
Estates, trusts and agencies under administration	<u>\$ 89,105,502</u>	<u>\$52,578,127</u>
TOTAL	<u>\$113,268,750</u>	<u>\$76,537,727</u>

Attested: (Signed) Rudolf V. Frastacky, President

(Signed) T. Stewart Ripley, Executive Vice-President and General Manager

### AUDITORS' REPORT TO THE SHAREHOLDERS OF THE METROPOLITAN TRUST COMPANY:

We have examined the above balance sheet of The Metropolitan Trust Company as at December 31, 1966. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

The assets held for Guaranteed Account and for Estates, Trusts and Agencies are kept separate from the Company's own assets and are so

recorded on the books of the Company as to show the accounts to which they belong.

In our opinion, the above balance sheet presents fairly the financial position of the Company as at December 31, 1966.

Toronto, Canada  
January 27, 1967

(Signed) CAMPBELL, LAWLESS & PUNCHARD  
Chartered Accountants.



**Statement of Undivided Profits** FOR THE YEAR ENDED DECEMBER 31, 1966  
(with comparative figures for the year ended December 31, 1965)

	1966	1965
Operating profit for the year before income taxes but after deducting all expenses and appropriations of \$35,000 for investment reserves	\$260,802	\$186,702
Provision for income taxes	<u>120,000</u>	<u>69,000</u>
Net profit for the year	\$140,802	\$117,702
Add: Balance brought forward from previous year	<u>128,971</u>	<u>65,218</u>
	\$269,773	\$182,920
Deduct: Dividend paid	(24,118)	—
Transfer to reserve fund	(24,300)	(29,045)
Increase in prepaid expenses	<u>—</u>	<u>(24,904)</u>
Balance at end of year	<u>\$221,355</u>	<u>\$128,971</u>

NOTE:

In 1965 the provision for income taxes was reduced by approximately \$13,000 as a result of claiming for tax purposes the increase in prepaid expenses charged directly to undivided profits.

**Statement of Reserve Fund** FOR THE YEAR ENDED DECEMBER 31, 1966  
(with comparative figures for the year ended December 31, 1965)

	1966	1965
Balance at beginning of year	\$250,000	\$216,305
Add: Premium received on shares issued during year	700	4,650
Transfer from undivided profits	<u>24,300</u>	<u>29,045</u>
Balance at end of year	<u>\$275,000</u>	<u>\$250,000</u>





## Our Growth in Brief

	1966	1965	1964	1963	1962 (Note 1)
Total Assets under Administration	<u>\$113,269,000</u>	<u>\$76,538,000</u>	<u>\$58,241,000</u>	<u>\$37,251,000</u>	<u>\$25,793,000</u>
Estates, Trusts and Agencies	<u>\$ 89,106,000</u>	<u>\$52,578,000</u>	<u>\$34,435,000</u>	<u>\$25,058,000</u>	<u>\$23,481,000</u>
Savings and Term Deposits and Investment Certificates	<u>\$ 21,026,000</u>	<u>\$21,074,000</u>	<u>\$21,069,000</u>	<u>\$10,399,000</u>	<u>\$ 576,000</u>
Shareholders' Equity	<u>\$ 2,908,000</u>	<u>\$ 2,786,000</u>	<u>\$ 2,672,000</u>	<u>\$ 1,713,000</u>	<u>\$ 1,695,000</u>
Profit before Income Taxes	<u>\$ 261,000</u>	<u>\$ 187,000</u>	<u>\$ 117,000</u>	<u>\$ 11,000</u>	<u>\$ (2,000)</u>
Income Taxes	<u>120,000</u>	<u>69,000(2)</u>	<u>6,000(2)</u>	<u>—</u>	<u>—</u>
Net Profit after Taxes	<u>\$ 141,000</u>	<u>\$ 118,000</u>	<u>\$ 111,000</u>	<u>\$ 11,000</u>	<u>\$ (2,000)</u>
Earnings per Share	<u>\$ 1.46</u>	<u>\$ 1.22</u>	<u>\$ 1.16</u>	<u>\$ 0.16</u>	<u>\$ —</u>

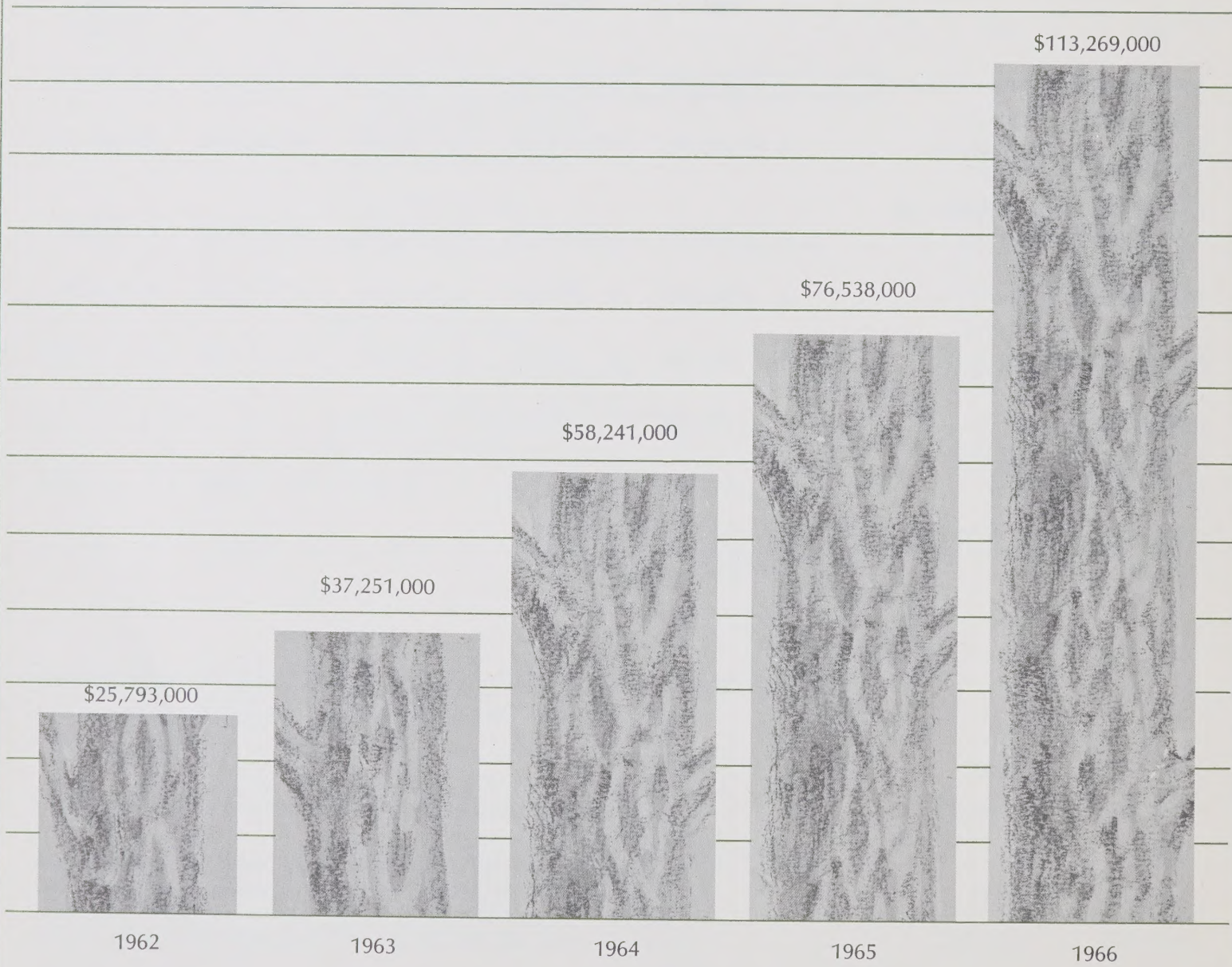
### NOTES

1. The Company was incorporated in 1962 and opened its office to the public on November 6, 1962.

2. The 1965 and 1964 income tax provisions were reduced by claiming for tax purposes the increases of \$25,000 and \$35,000 respectively in prepaid expenses charged directly to undivided profits. Also, the 1964 tax provision was reduced by the carry-forward for tax purposes of preliminary and organization expense incurred in 1962.



Total Assets Under Administration







## Services

SAVINGS ACCOUNTS

SAVE-BY-MAIL

CHEQUING ACCOUNTS

DEPOSIT ACCOUNTS

SENIOR CITIZEN ACCOUNTS

GUARANTEED INVESTMENT CERTIFICATES

ACCUMULATING GUARANTEED INVESTMENT CERTIFICATES

INVESTMENT FUNDS

REGISTERED RETIREMENT SAVINGS PLAN

ESTATE PLANNING

REAL ESTATE SALES

MORTGAGES

PROPERTY MANAGEMENT

REAL ESTATE COUNSELLING

FINANCING

PERSONAL TRUST SERVICES

SERVICES FOR INDIVIDUALS

SERVICES FOR CORPORATIONS





FROM: Metropolitan Trust Company  
REFERENCE: Shaun MacGrath, 922-5054  
CLIENT CONTACT: T. Stewart Ripley, 362-4761  
RELEASE: Thursday July 14, 3.30 p.m.

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METROPOLITAN TRUST PROFITS CONTINUE TO GROW

Toronto, July 14, 1966:- Mr. R. V. Frastacky, President of The Metropolitan Trust company today reported continuing growth - a net profit after taxes of \$70,305 or seventy three cents per share for the first six months of 1966, an increase of 13 per cent over the same period in 1965. Further improvement is anticipated in the second half of the current year.

*1965  
\$ 62,000  
644*

"Total assets under administration," said Mr. Frastacky, "have risen rapidly during 1966 to \$94.5 million at June 30--an increase of \$18 million or 24 per cent, and the company's total assets will shortly pass the \$100 million mark." He also said that the financial statement at mid-year shows a strong liquid position.

Metropolitan continues to be active in real estate investment activities, special financing services, property management and mortgage operations. To date this year, Metropolitan has committed over \$20 million in mortgages for clients and its own account.







